

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----081155 111904Z /41

R 111409Z SEP 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 1772
INFO USMISSION USBERLIN
AMEMBASSY BERLIN
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
USMISSION USNATO

C O N F I D E N T I A L SECTION 01 OF 02 BONN 16605

EXDIS

E.O. 11652: XGDS-1
TAGS: PGOV BQG
SUBJECT: INNER-GERMAN NEGOTIATIONS: FRG FINANCIAL
OFFERS

REFS: (A) BONN 16073; (B) BONN 6113; (C) BONN 14608;
(D) BONN 12835; (E) 76 BONN A-277

BEGIN SUMMARY. THE FRG HAS INFORMED THE ALLIES IN THE
BONN GROUP OF THE PROPOSALS THE CHANCELLOR AND THE RELEVANT
MINISTERS HAVE AUTHORIZED THE FRG NEGOTIATOR, GAUS, TO
MAKE TO THE GDR IN RESPONSE TO THE GDR'S DEMAND FOR A
TOTAL SUM FOR THE FRG/GDR NEGOTIATING PACKAGE. THE
PRESENT FRG OFFER, MADE TO THE GDR ON SEPTEMBER 8, IS
DM 1.2 BILLION FOR THE NORTHERN AUTOBAHN, DM 70 MILLION
FOR THE TELTOW CANAL (ALREADY AGREED TO BY THE GDR) AND
DM 120 MILLION FOR WATERWAY REPAIRS. THE GDR DEMAND
FOR THE AUTOBAHN IS DM 1.45 BILLION. IN ADDITION, THE
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FRG AND GDR HAVE AGREED TO A TRANSIT LUMP SUM PAYMENT
OF DM 500 MILLION ANNUALLY FOR TEN YEARS.

WE WERE TOLD THAT THE POLITICALLY MOST IMPORTANT
FRG INTEREST, THAT OF HUMANITARIAN IMPROVEMENTS (E.G.,
A LOWERING OF THE PENSION AGE AT WHICH GDR RESIDENTS CAN
VISIT THE FRG) IS TO BE NEGOTIATED IN A "DIFFERENT

CHANNEL." WE HAVE BEEN INFORMED BILATERALLY THAT IT IS TOO EARLY TO TELL WHETHER THERE ARE ANY PROSPECTS FOR SUCCESS ON THE HUMANITARIAN QUESTIONS; MUCH WILL DEPEND ON THE SOVIETS.

END SUMMARY.

1. FOLLOWING THE BONN GROUP MEETING OF SEPTEMBER 8, HELD FOR THE PURPOSE OF BRIEFING THE ALLIES ON THE LATEST DEVELOPMENTS CONCERNING INNER-GERMAN NEGOTIATIONS (REPORTED SEPTTEL), VON RICHTHOFEN OF THE FOREIGN OFFICE INFORMED THE PRINCIPAL ALLIED REPS OF THE FINANCIAL ASPECTS OF THE NEGOTIATIONS. HE SAID THAT THIS WAS A PARTICULARLY DELICATE SUBJECT AND ASKED THAT THE INFORMATION BE REPORTED ON A VERY RESTRICTED BASIS. HE SAID THAT THE FRG, IN ORDER TO CURB THE PRESS LEAKS WHICH HAVE OCCURRED, HAS RESTRICTED EVEN FURTHER THE DISTRIBUTION OF THIS INFORMATION IN THE FRG. HE SAID A LEAK WOULD BE HARMFUL TO THE FRG FOR THE FOLLOWING REASONS:

A) THE FRG IS UNCERTAIN TO WHAT EXTENT HONECKER HAS APPROVAL OF THE POLITBURO TO NEGOTIATE THE PRESENT PACKAGE.

B) THE FRG AND GDR ARE IN THE PROCESS OF
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NEGOTIATING THE PACKAGE.

C) WERE THE FINANCIAL DETAILS TO LEAK BEFORE THE OCTOBER 8 ELECTIONS IN HESSE, THERE IS A REAL DANGER THAT THE GDR DEMANDS AND THE FRG OFFERS COULD BECOME A SUBJECT OF DEBATE IN THE ELECTION CAMPAIGN.

2. NORTHERN AUTOBAHN. VON RICHTHOFEN SAID THAT THE FRG NEGOTIATOR, GAUS, HAS BEEN AUTHORIZED TO OFFER DM 1.2 BILLION. AS BACKGROUND, VON RICHTHOFEN SAID THAT THE FRG HAD ORIGINALLY OFFERED DM 800 MILLION, THE GDR HAD ORIGINALLY DEMANDED DM 1.78 BILLION, AND THE GDR SUBSEQUENTLY REDUCED ITS DEMAND TO DM 1.45 BILLION. VON RICHTHOFEN SAID THAT GAUS IS AUTHORIZED TO SAY THAT THE CHANCELLOR HAS NO DOUBT THAT AGREEMENT CAN BE REACHED ON THE NORTHERN AUTOBAHN SO THERE MAY BE SOME FINANCIAL TRADE-OFF BETWEEN THE NORTHERN AUTOBAHN SUM AND THE SUM FOR THE LUMP SUM TRANSIT PAYMENT.

3. LUMP SUM TRANSIT PAYMENT. AS BACKGROUND, VON RICHTHOFEN RECALLED THAT THE ANNUAL LUMP SUM TRANSIT

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R 111409Z SEP 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 1773
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PAYMENT IN THE PAST WAS DM 400 MILLION, SUBSEQUENTLY
RAISED TO DM 445 MILLION, WITH THE DM 45 MILLION PAID
UNDER PROTEST (REF B). AT THE OUTSET OF THE NEGOTIATIONS,
THE GDR HAD DEMANDED DM 600 MILLION, TO BE FIXED FOR
A NUMBER OF YEARS. BOTH SIDES HAVE NOW AGREED ON
DM 500 MILLION, TO BE FIXED FOR TEN YEARS AND WITH NO
REVISION CLAUSE. IF THE GDR AGREES TO REDUCE THE
NORTHERN AUTOBAHN PRICE BELOW WHAT THE FRG IS NOW
OFFERING, THE FRG CAN AGREE TO INCREASE THE LUMP SUM
TRANSIT PAYMENT. THE ONLY PURPOSE OF SUCH A CHANGE
WOULD BE COSMETIC.

4. TELTOW CANAL. THE GDR ORIGINALLY DEMANDED DM 90
MILLION BUT HAS ACCEPTED THE FRG'S ORIGINAL FIGURE OF
DM 70 MILLION.

5. TRANSIT WATERWAYS (REF D). VON RICHTHOFEN SAID THE
MINISTERS INCREASED THE FRG OFFER FOR REPAIRS FROM
DM 90 MILLION TO DM 120 MILLION AND AGREED TO A
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DECLARATION OF INTENT THAT NEGOTIATIONS ON MORE FUNDAMENTAL RECONSTRUCTION WOULD COMMENCE IN 1980. UP TO DM 500 MILLION CAN BE NEGOTIATED AT THAT TIME BUT, AS THE GDR HAS AGREED, THE ENTIRE SUM NEGOTIATED NEED NOT BE SPENT ON WATERWAYS BUT MAY BE USED FOR OTHER PURPOSES AS WELL (E.G., TRANSIT RAILWAYS).

6. WARTA-HERLESHAUSEN AUTOBAHN STRETCH (REF D). THE MINISTERS FOUND THAT DM 24 MILLION WAS REASONABLE FOR THE "SMALL SOLUTION." THE GDR HAS DEMANDED MUCH MORE SO THE PROSPECTS FOR THIS PROJECT ARE DEAD FOR THE PRESENT TIME. THE "GREAT SOLUTION," FOR WHICH THE GDR HAS DEMANDED DM 280 MILLION, IS OUT OF THE QUESTION.

7. NON-COMMERCIAL PAYMENTS (REF C). THE GDR HAD OFFERED DM 150 MILLION TO SATISFY THE CLAIMS OF FRG HEIRS TO PROPERTY IN THE GDR, FRG OWNERS OF PROPERTY IN THE GDR FOR WHICH RENT IS PAID, ETC. GAUS WAS INSTRUCTED TO ASK FOR DM 200 MILLION OVER FOUR YEARS.

8. HUMANITARIAN QUESTIONS. GAUS WILL NEGOTIATE WITH HIS COUNTERPART THE REMAINDER OF THE 25 "SMALL STEPS" ON TRAVEL IMPROVEMENTS (E.G., TRAVEL IN THE GDR BY MOTORCYCLE), OBLIGATORY CURRENCY EXCHANGE (E.G., RELAXATION OF REQUIREMENT IN CERTAIN CASES), ETC. THE QUESTION OF A LOWERING OF THE PENSION AGE OR ENLARGING THE CATEGORIES OF PERSONS PERMITTED TO VISIT THE FRG, E.G., FOR URGENT FAMILY REASONS, WILL BE NEGOTIATED IN A "DIFFERENT CHANNEL." VON RICHTHOFEN DID NOT ELABORATE ON THE CHANNEL.

9. COMMENT: VON RICHTHOFEN DID NOT VOLUNTEER THE INFORMATION ON THE HUMANITARIAN QUESTIONS AND WE DID NOT CONFIDENTIAL

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SEEK TO PRESS HIM ON THIS POINT. IN THE PAST, HUMANITARIAN QUESTIONS HAVE BEEN NEGOTIATED IN THE LAWYERS' CHANNEL (VOGEL/STANGE) ALTHOUGH MINISTER OF STATE WISCHNEWSKI HAS ALSO BEEN INVOLVED. GIVEN THE IMPORTANCE OF THE HUMANITARIAN QUESTIONS TO THE FRG, AS REPORTED SEPTEL, THE FRG HAS SET AS A GENERAL CONDITION OF ITS OFFER A GDR WILLINGNESS TO AGREE THAT HUMANITARIAN IMPROVEMENTS ARE PART OF THE PACKAGE. VON RICHTHOFEN HAS SINCE INFORMED US BILATERALLY THAT IT IS TOO EARLY TO TELL WHETHER THIS ATTEMPT WILL BE SUCCESSFUL. HE SAID THAT MUCH WILL DEPEND ON THE SOVIET ATTITUDE.
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